

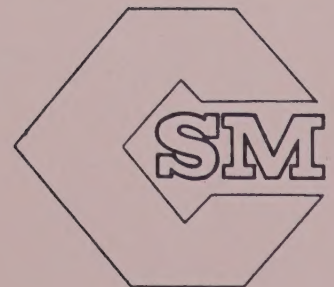
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CREAM SILVER
MINES LTD.

n.p.l.

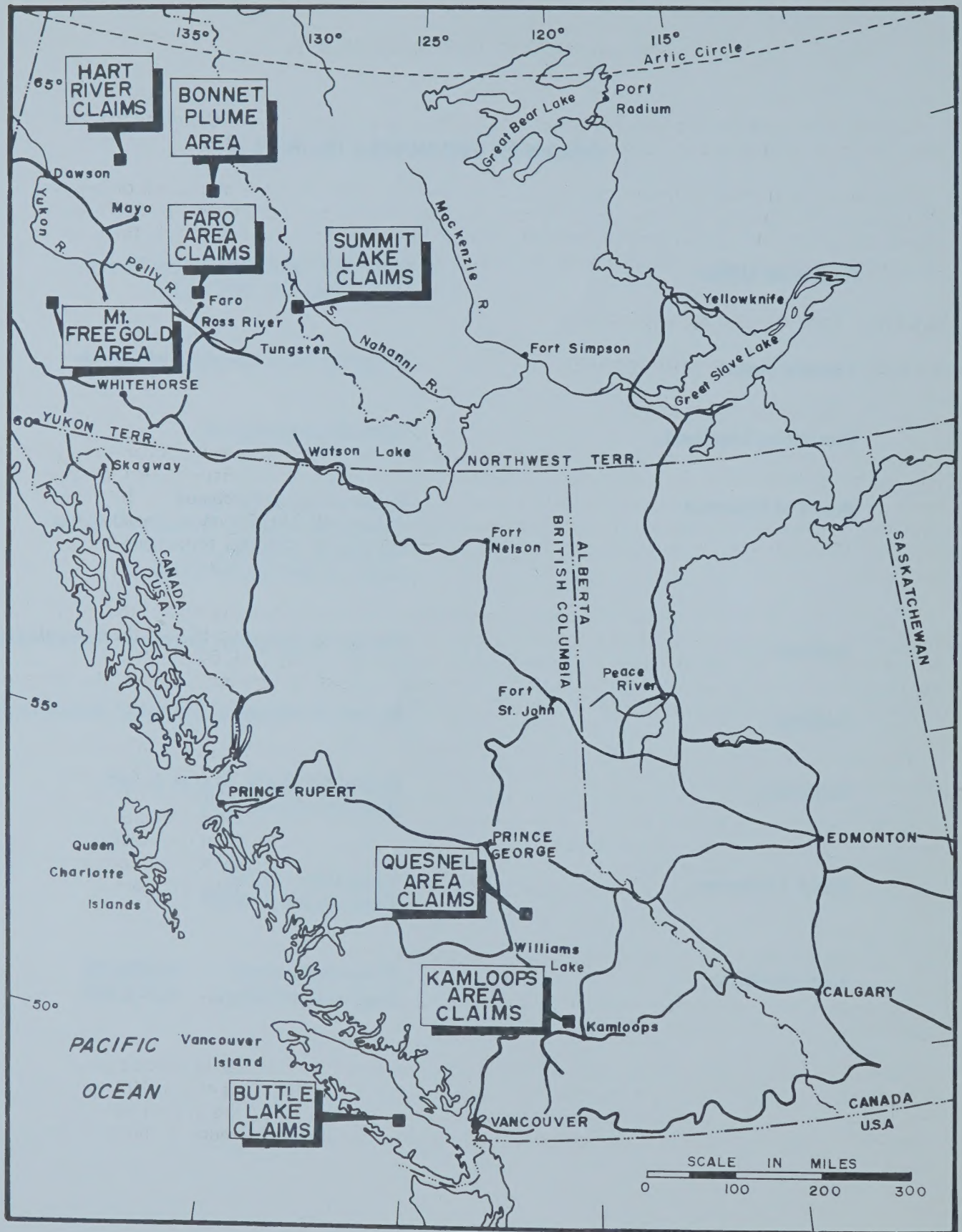
ANNUAL REPORT

1975



CREAM SILVER MINES LTD. (N.P.L.)

Registered Office:	Suite 202 - 900 West Pender Street, Vancouver, B.C. V6C 1L1
Transfer Agent:	Guaranty Trust Company of Canada
Consulting Engineers:	Agilis Engineering Ltd.
Board of Directors:	Frank A. Lang, President Richard W. Hughes, Managing Director Gardner S. Eldridge, Director Valerie S. McKee, Secretary
Auditor:	Morgan & Company, Chartered Accountants
Auditor:	Morgan & Company, Chartered Accountants
Solicitors:	DuMoulin, Black, Brazier & Hall Barristers & Solicitors
Stock Exchange:	Vancouver - Listed Ticker Symbol - CEM
Capitalization:	Shares authorized: 10,000,000 Shares outstanding: 2,372,792



CREAM SILVER MINES LTD. (NPL)
PROPERTY LOCATION MAP

JUNE 1975

CREAM SILVER MINES LTD.

ANNUAL REPORT TO SHAREHOLDERS

Your Board of Directors is pleased to present the 1975 Annual Report of your Company together with Financial Statements and Auditor's Report for the year ended March 31, 1975.

Coincidentally with the writing of this report, a very exciting drill program is in progress on the "Car" claims fifty miles west of Carmacks, Yukon. Number one of a series of at least ten 300 foot diamond drill holes should be completed shortly. It would be very nice to find massive sulfides, for the potential orebody size is indicated to be one million tons per vertical foot.

MINERAL EXPLORATION PROPERTIES

YUKON — NORTHWEST TERRITORIES

MT. FREEGOLD AREA

As mentioned above, diamond drilling is in progress on what is perhaps the largest copper — molybdenum target in the Yukon and we shall soon know its contents. In last year's Annual Report, mention was made of the acquisition of five groups of claims totalling 133 in all, which were staked by the Carmack's Syndicate to cover known magnetic anomalies as reported by the Geological Survey of Canada. At that time the search was hot and heavy for "free" gold in magnetite deposits near former producing gold mines.

Cream Silver, jointly with Belmoral Mines Ltd., negotiated an option to acquire a 90% interest in these claims, and subsequently found a partner in Western Mines Ltd. who put up 60% of the costs of the venture to acquire 60% of Cream — Belmoral's 90% interest. (i.e. 18%, 18%, 54%, 10%.) This has now been altered by the sale by the Carmack's Syndicate of their 10% interest in the Net Operating Profit to be derived from the claims, to Belmoral Mines Ltd.

Pursuant to the venture agreement, geological prospecting, detailed geological, geochemical and grid surveys were conducted on the entire five blocks of mineral claims comprising the Mount Freegold Property. Three claim groups proved negative, one requires follow-up work, and on the fifth group of mineral claims, a \$420,000 two-stage program has been recommended with emphasis on diamond drilling, geophysics and geochemical surveys. Initial diamond drilling started about one week ago under the direction of Western Mines Ltd. An I.P. (Induced Polarization) Survey will commence within a week. If initial results are satisfactory, follow-up work will continue as long as possible.

HOWARD PASS — SELWYN BASIN — SUMMIT LAKE

Overshadowed at least temporarily, but by no means forgotten, further work on this important prospect will continue as time and money allows.

As more knowledge of the area is acquired, the ore finding possibilities appear to become greater. Placer Explorations Ltd. is now believed to have in sight up to 300 million tons of 8 to 10% combined Zinc-Lead Ore with minor Silver values over a length of 2½ miles, with 22½ miles of their claim block yet to be explored in detail. It is anticipated that very much more ore will be found in this geologic basin.

In a Summary Report on Exploration, Oct. 10, 1974, Agilis Engineering Ltd. notes that "detailed geological mapping showed that the favourable stratigraphic horizons outcrops on the property and is coincident with the geochemical Zinc and Lead anomaly (which has values in excess of 5,000 PPM). It is recommended that a program of detailed mapping be completed over all areas of interest and be followed up by diamond drilling, using at least a BBS-1 diamond drill.

At least one drill hole, located along the northwestern limits of the zinc anomaly, should be drilled. The bearing of the drill hole should be to the southeast at - 45° and have a minimum depth of 500 feet or until the wavy banded limestone is intersected. Further drill locations will depend on the results of the first hole."

Detailed mapping will commence as soon as possible to precisely locate drill targets on this property and the recently acquired "MAD" and "NESS" claims. A 100% interest in these claims was obtained through negotiations with Noranda Mines Ltd., who retain the right to acquire a 20% participating interest in these claims only.

ANVIL-DYNASTY-VANGORDA AREA

Interest in this area has heightened considerably this year as noted by the increased staking by Anvil-Dynasty and others. As noted in the last "Interim Report to Shareholders", properties in this area warrant testing by deep diamond drill holes spaced initially at 1500 foot intervals. Work will therefore be held in abeyance pending results of others.

BONNET PLUME AREA

Last year's exploration work revealed three zinc anomalies, one of which is particularly strong. Further work however will await the results of others in this area.

GENERAL EXPLORATION

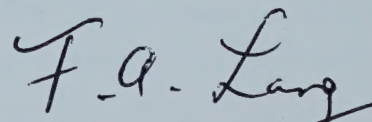
Elsewhere, your Company is maintaining most of its interest on a standby basis, as the hoped for return to sanity by government appears a long way off. Of notable interest is the complete lack of response to our endeavours to obtain satisfactory settlement for our claims in Strathcona Park on Vancouver Island, B.C., or to be allowed to continue exploration. It is very frustrating, for with Gold-Silver values as reported earlier (Nov 27, 1966) (0.22 ozs./ton Gold, 159.4 ozs./ton Silver) over a 16 inch width of the "Cream" Vein, and grab samples up to 1593.5 oza/ton Silver, the property definitely warrants further development.

OTHER

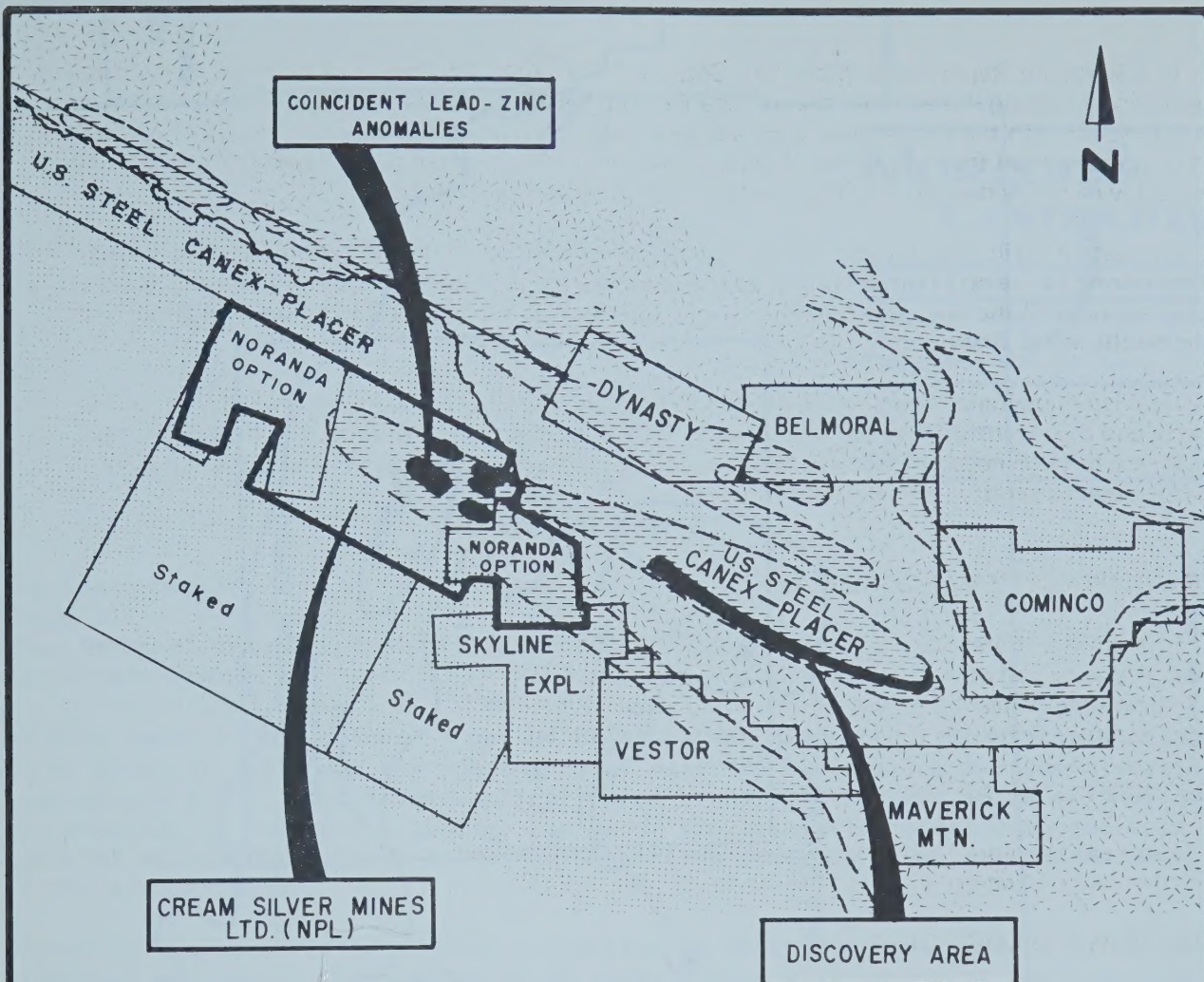
Sale of our investment in Silver Bullion and Swiss Francs has netted the treasury an amount of \$89,312.53. This has deferred the necessity for further underwritings until recently when 200,000 shares were sold to net \$60,000 and an option on 100,000 shares at 40¢ each was granted.

Other investments in junior companies appear to be doing well and we look forward to an exciting and rewarding season.

Respectfully submitted,
On Behalf of the Board of Directors,


F. A. LANG, President.

June 12, 1975



LEGEND


DEVONIAN


 Black shale and argillite; minor brown sandstone

UPPER ORDOVICIAN

 Black graptolitic shale, argillaceous limestone; minor black chert

ORDOVICIAN

 Sandy dolomite; fine grained limestone

 Geological contact

PLACER DEVELOPMENT U.S. STEEL

Joint Venture. Indicated Potential
100,000,000 to
200,000,000 Tons

Initially outlined
8% Pb-Zn over initial 13000
ft. length

CREAM SILVER MINES LTD. (NPL)

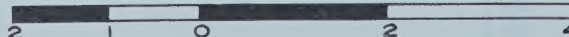
GENERAL GEOLOGY & PROPERTY MAP OF THE

HOWARD PASS AREA

SUMMIT LAKE

YUKON & NORTHWEST TERRITORIES

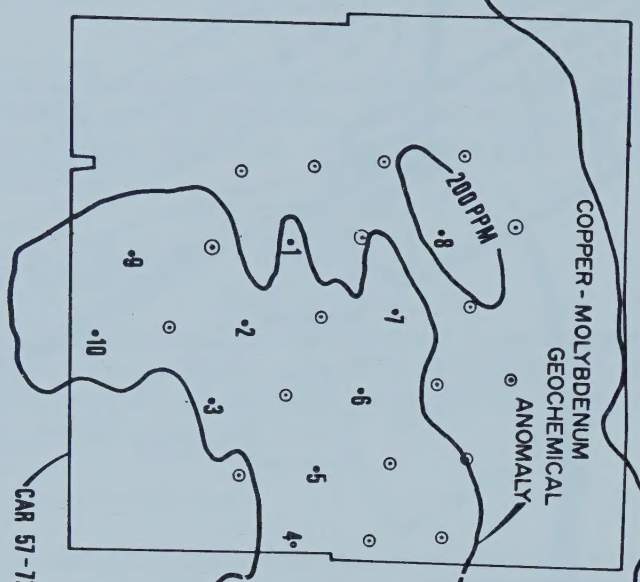
SCALE IN MILES



JUNE 1975

EX
CLAIMS

KJV CLAIMS



BIG CREEK

200 PPM

CAR 57-72 CLAIMS

EX CLAIMS

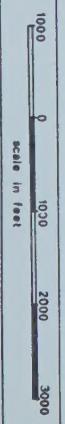


- STAGE ONE DRILL HOLE
- STAGE TWO DRILL HOLE
- REGIONAL BACKGROUND 33PPM COPPER GEOCHEMICAL VALUES TO 2000 PPM IN THE ANOMALY.

CREAM Silver Mines Ltd.(NPL)

CAR 57-72 MINERAL CLAIM
WHITEHORSE, M.D. Y.T.

GEOCHEMICAL ANOMALY AND DRILL
HOLE LOCATIONS.



AGILIS ENGINEERING LTD.

JUNE, 1975

Morgan & Company

Chartered Accountants

1210-675 West Hastings Street
Vancouver 1, British Columbia
Telephone (604) 687-5841

John F. Morgan
Tor B. Barth
Lorne M. Beauchamp

AUDITORS' REPORT

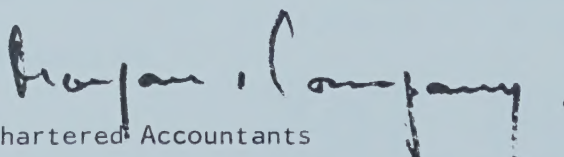
The Shareholders
Cream Silver Mines Ltd.
(Non-Personal Liability)
Vancouver, Canada

We have examined the balance sheet of Cream Silver Mines Ltd. (Non-Personal Liability) as at March 31, 1975 and the statements of deferred exploration and administrative expenditure and of source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Regarding the interest in mineral properties as described under note 6 a) to the financial statements, the valuation of these claims will depend on the granting of the Special Use Permit referred to under the same note.

In our opinion, except for the affect of any adjustments which might have been required if the Special Use Permit should not be available to the company, these financial statements present fairly the financial position of the company as at March 31, 1975 and the results of its operations and the source and application of its funds for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, Canada
May 29, 1975


Chartered Accountants

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1975

1. ACCOUNTING POLICIES

In common with most mining companies in the exploration stage the company defers all direct expenditure on properties and areas in which it is interested and all administrative expenditure. At such time as the company loses or abandons title or its interest in any property the accumulated expenditure on such property and the attributable portion of administrative expenditure are charged to deficit. If any property reaches commercial production applicable deferred expenditure will be amortized over the productive period.

2. The investment consists of the following securities:

100,000 escrowed shares of Belmoral Mines Ltd. (N.P.L.)	\$ 1,294.35
35,000 free shares of Belmoral Mines Ltd. (N.P.L.) (Market \$20,300.00)	4,200.00
37,500 free shares of Grandora Explorations Ltd. (N.P.L.) (Market \$11,625.00)	5,000.00
25,000 free shares of Juniper Mines Ltd. (N.P.L.) (Market \$4,500.00)	2,750.00
12,500 free shares of Spirit Explorations Ltd. (N.P.L.) (Market \$500.00)	5,136.50
25,000 free shares of Toronado Development Corp. Ltd. (N.P.L.) (Market \$2,000.00)	5,125.00
	<u>\$ 23,505.85</u>

3. During the year the company was issued 27,000 shares of Abadon Holdings NL (an Australian company engaged in mining exploration) to apply on its \$15,000.00 advance.

4. The investment consists of 83,800 free shares of Trident Resources Inc., a public company in which Cream Silver Mines Ltd. (N.P.L.) also beneficially owns 146,960 escrowed shares representing together a 22.9% interest in that company which holds certain mineral claims in the Yukon and Northwest Territories.

The company has executed an agreement through which it will be entitled to acquire a 50% interest in Trident through the forfeiture of the interest of certain other shareholders due to the non-contribution by these shareholders of their portion of funds required to keep the mineral claims of Trident in good standing.

5. Depreciation for the year has been recorded on the Company's equipment at 20% of original cost values.

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1975

6. The company has the following interests in mineral properties:
a) Vancouver Island claims, Alberni Mining Division, Province of British Columbia.

These claims, including some acquired under a purchase agreement and others subsequently staked, are owned by the company and are located within a class 'B' park under the Park Act of the Province of British Columbia, and, accordingly, a Special Use Permit is required from the Government of British Columbia for exploration and development of the claims. The claims were acquired under the purchase agreement for the following consideration:

690,000 shares of the company - attributed value	\$ 86,250.00	
Cash	<u>15,000.00</u>	\$ 101,250.00

Under an option agreement to acquire a possible 70% interest in the majority of these claims Western Mines Limited has paid to the company \$10,000.00 cash and expended over \$100,000.00 on exploring and developing the claims before failing to comply with the terms of the agreement. By subsequent letters of agreement the original option agreement was renewed and the terms altered to provide for the postponement of Western Mines' financial commitments for the years 1973 to 1975 and to include in the agreement 53 claims only.

The original option agreement called for the following cash commitments by Western Mines Limited:

1. Cash payments to Cream on July 1, 1973 - 1975 inclusive	\$ 30,000.00	
2. Expenditures to be made on the property:		
Before December 31, 1973	\$ 200,000.00	
Before December 31, 1974	200,000.00	
Before December 31, 1975	<u>250,000.00</u>	
		650,000.00
Total additional consideration	\$ <u>680,000.00</u>	

The costs of the claims staked subsequent to the original purchase agreement have been included with the deferred exploration expenditures.

Regarding the portion of the claims subject to the above agreement the Company previously held through Western Mines Limited a Special Use Permit as described above. Since no work was done on these claims in the past year no permit was applied for, and consequently the status of these claims

Forward

\$ 101,250.00

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1975

6. a) Cont'c.

Forward

\$ 101,250.00

will depend on the granting of such a permit when applied for.

Regarding the balance of these claims, which are not subject to the above agreement, the Government of British Columbia, while having granted a moratorium on the payment of further fees and work requirements to keep the claims in good standing, has not extended the company's Special Use Permit for carrying out exploration on the claims.

For this reason, and at the request of the Provincial Government, the Company has submitted a claim for the recovery of the cost of and expenditures on the claims and compensation for estimated lost potential revenue from the claims in the case that the permit is not renewed. The total amount claimed by the company is \$ 19,500,000.00. The Company has not yet had a reply from the Provincial Government regarding this claim and no provision has been made in the financial records of the Company for such claim since the outcome of this action is presently uncertain.

b) Hart River area claims, Mayo Mining District, Yukon Territory.

These claims (ROSE, JOHN RY group) are owned by the Company and were acquired partly by staking and partly by purchase from Belcarra Explorations Ltd. (N.P.L.) for the following consideration:

- | | |
|---|-----------------|
| 1. 10,000 free shares of Cream Silver Mines Ltd. (N.P.L.) | |
| - attributed value | \$ 1,000.00 |
| 2. Staking costs - cash | <u>4,168.59</u> |

5,168.59

c) Pelly and Nahanni Rivers area, Watson Lake Mining District, Yukon Territory.

Approximately 100 claims (YUK and PAT groups) were originally staked on behalf of the Company and Acheron Mines Ltd. (N.P.L.), each company having a $\frac{1}{2}$ interest in the claims. The costs of the staking have been included as deferred exploration expenditures.

Forward

\$ 106,418.59

Forward

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1975

6. Cont'd.

Forward

\$ 106,418.59

e) Pelly River area, Watson Lake Mining District, Yukon Territory

Under an option agreement the company will acquire a 90% undivided interest in the ROSS group of claims for the following consideration:

1. Cash - paid	\$ 17,000.00	
2. Shares - 20,000 issued at an attributed value of	<u>6,400.00</u>	
		\$ 23,400.00

3. Additional cash to be paid and shares to be issued:

	<u>Cash</u>	<u>Shares</u>
On or before August 15, 1974		15,000
On or before April 15, 1975	\$ 10,000.00	
On or before August 15, 1975	<u>25,000.00</u>	<u>25,000</u>
	\$ <u>35,000.00</u>	<u>40,000</u>

Subsequent to March 31, 1975 the agreement was amended to provide for the additional consideration to be paid as follows:

On or before August 15, 1974		15,000
On or before April 30, 1975	\$ 10,000.00	5,000
On or before August 15, 1975	12,500.00	12,500
On or before April 15, 1976	12,500.00	12,500

As at the date of the audit report the \$ 10,000.00 cash had been paid while the issue of the 20,000 shares due by April 30, 1975 was still awaiting the approval of the Vancouver Stock Exchange.

The company has also entered into a letter agreement to acquire another group of claims in this area in consideration for keeping the claims in good standing and granting the other party the right to 20% of any production proceeds.

f) DV claims, Kamloops Mining Division, Province of British Columbia

These claims were acquired for a net cash consideration of 2,400.00

Additional staking costs have been included with the deferred exploration expenditures.

Forward

\$ 132,218.59

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1975

6. Cont'd Forward \$ 132,218.59

g) Quesnel and Maeford Lake area claims, Cariboo Mining Division,
Province of British Columbia
The company has acquired a 75% interest in these claims
(LAM claims group) for a cash consideration of 1,500.00

h) Robb Lake area claims, Liard Mining Division, Province of
British Columbia
The company has acquired a 45% interest in the INBE claims
group for the following consideration:
1. 4,000 shares of the company - attributed value \$ 1,480.00
2. Cash 1,200.00
2,680.00

i) Faro area, Whitehorse Mining District, Yukon Territory
The company acquired these claims (K0 group) for the
following consideration:
1. Cash \$ 6,300.00
2. 35,000 shares of the company - attributed
value 16,450.00
\$ 22,750.00

Subsequently the company sold a 50% interest in
these claims to Belmoral Mines Ltd. (N.P.L.)
for the following consideration:
1. Cash \$ 3,150.00
2. 35,000 shares of Belmoral - attributed
value 4,200.00
7,350.00
15,400.00

j) Bonnet Plume River area, Mayo Mining District, Yukon Territory
The company has purchased the LIZ claims in this area for
cash 3,250.00

k) State of South Australia, Australia
Under an option agreement the company together with Acheron
Mines Ltd. (N.P.L.) were to acquire an undivided 75%
interest in three Special Mining Leases in South Australia
for the following consideration:

	<u>\$ amount of exploration to be performed on the leases</u>		<u>Interest acquired</u>	
	<u>Cream</u>	<u>Acheron</u>	<u>Cream</u>	<u>Acheron</u>
By December 31, 1973	\$ 20,000.00	\$ 40,000.00	8.33%	16.67%
During 1974	23,333.00	46,667.00)		
During 1975	40,000.00	80,000.00)	16.67	33.33
	<u>\$ 83,333.00</u>	<u>\$ 166,667.00</u>	<u>25 %</u>	<u>50 %</u>

Although the company had paid only \$ 25,000.00 in respect of the
commitment for exploration to be performed on the leases by December
31, 1974, the option agreement has not been formally terminated.

Forward \$ 155,048.59

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1975

Forward

\$ 155,048.59

6. k) Cont'd.

The present cost of the company's interest under this agreement has been stated as follows:

Advanced in respect of 1973 exploration program	\$ 20,000.00
Advanced in respect of 1974 exploration program	5,000.00
	<u>25,000.00</u>
Less portion of advances charged to deficit	
	<u>16,666.67</u>

8,333.33

l) Fiji Islands, South Pacific

The company had advanced cash of \$15,000.00 presently representing a 45% interest in an exploration syndicate formed for exploration in the Fijian Islands in the South Pacific. The current status of this exploration program has not yet been advised.

15,000.00

m) San Pedro Analco Region, Jalisco, Mexico

The company has been assigned a 40% interest in an option agreement to acquire the Las Margaritas mineral property for the following consideration:

1. Reimbursement of assignors' costs - \$2,500.00
2. Commitment to assume 40% of the obligations under the original option agreement which total obligations are as follows:

a) Cash at various intervals before February 18, 1976 - \$35,000.00 - paid

2,000.00

b) By February 28, 1976 elect to either

1. Pay optionor cash - \$200,000.00

or

2. Pay optionor up to \$2,000,000.00 out of 5% net smelter returns from the property or otherwise to provide for minimum annual payments of \$25,000.00

3. Keep the property in good standing during the term of the agreement.

The original option agreement is presently in default but has not been formally terminated. Under the agreements the company presently owes a total of \$ 6,500.00 which must be paid in order to keep its interest.

Forward

\$ 180,381.92

MARCH 31, 1975

\$ 20,750.00 \$ 183,381.92

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1975

6. o) Cont 'd. Forward \$ 20,750.00 \$ 183,381.92

The optionors originally retained a 10% interest in the net operating profit to be derived from the claims, but has since entered into a separate agreement with Belmoral Mines Ltd. for Belmoral to acquire also this interest.

In connection with the original option agreement the optionees have signed a letter agreement with Western Mines Limited under which Western Mines has agreed to finance 60% of the acquisition costs and exploration expenditures on the property in return for a 60 % interest in the optionees' interest in the property and being designated as operator with management control of the joint venture.

The company accordingly has recovered 60% of its payments above

\$ 12,450.00
8,300.00

The parties have also caused additional claims to be staked in the area (EX claims group) of which the company's share of the cost amounted to

3,363.68

11,663.68

p) Sundry areas, Watson Lake Mining District, Yukon Territory
The company has acquired a 14.6% interest in an exploration venture in the above area which resulted in the acquisition of a total of approximately 80 claims. The interest was acquired for cash

2,100.00

\$ 197,145.60

7. During the year the balance of 207,000 escrowed shares was released to the shareholders and there are presently no escrowed shares outstanding.

Stock options to the directors are outstanding as follows:

A total of 50,000 shares at 15¢ each to be exercised before October 1, 1975

A total of 50,000 shares at 20¢ each to be exercised before October 1, 1976

Subsequent to March 31, 1975 the company executed an underwriting agreement for the sale of 200,000 shares at 30¢ each with an option to the underwriter to purchase another 100,000 shares at 40¢ each within 60 days of the date of the approval of the agreement by the Vancouver Stock Exchange. The agreement has not yet been submitted for approval.

The company by special resolution has applied to have its authorized capital increased from 3,000,000 to 10,000,000 shares of 50¢ par value each.

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1975

8. During the year remuneration was paid to a director and senior officer of the company in the amount of \$ 4,500.00 in respect of management and supervision services rendered in prior fiscal years and \$ 500.00 for similar services rendered in the present fiscal year.

A company with which two of the directors were associated was paid a total of \$ 7,426.11 during the year in respect of management and office services including reimbursement of office expenses incurred on behalf of Cream Silver Mines Ltd. (N.P.L.)

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 1975
(prepared without audit)

	Balances at March 31, 1974	Expenditures during year	Balances at March 31, 1975
EXPLORATION EXPENDITURES			
- per attached statement	\$ 184,302.47	\$ 55,887.25	\$ 240,189.72
Less charged to deficit during year	<u>184,302.47</u>	<u>5,815.56</u> <u>50,071.69</u>	<u>5,815.56</u> <u>234,374.16</u>
ADMINISTRATIVE EXPENDITURES			
Salaries and benefits	28,828.47	606.94	29,435.41
Rent and telephone	5,700.24	924.16	6,624.40
Printing and advertising, office expense	10,742.69	3,801.00	14,543.69
Legal and accounting fees and disbursements	24,859.55	7,134.20	31,993.75
Stock transfer expense	7,273.54	1,733.06	9,006.60
Stock exchange fees	5,082.03	1,310.00	6,392.03
Interest expense	1,075.30	2,951.16	4,026.46
Travel expense	1,982.09	2,062.56	4,044.65
Management and supervision	3,515.40	6,500.00	10,015.40
Depreciation	2,981.97	1,993.68	4,975.65
Other	5,885.01	1,150.33	7,035.34
	<u>97,926.29</u>	<u>30,167.09</u>	<u>128,093.38</u>
Less: Interest income	6,755.06	2,207.82	8,962.88
Sundry income	<u>91,171.23</u>	<u>2,012.90</u>	<u>2,012.90</u>
	<u>91,171.23</u>	<u>25,946.37</u>	<u>117,117.60</u>
Less charged to deficit	<u>91,171.23</u>	<u>2,800.00</u>	<u>2,800.00</u>
	<u>91,171.23</u>	<u>23,146.37</u>	<u>114,317.60</u>
TOTAL DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES, TO BALANCE SHEET	\$ <u>275,473.70</u>	\$ <u>73,218.06</u>	\$ <u>348,691.76</u>

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

SCHEDULE OF DEFERRED EXPLORATION EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 1975
(prepared without audit)

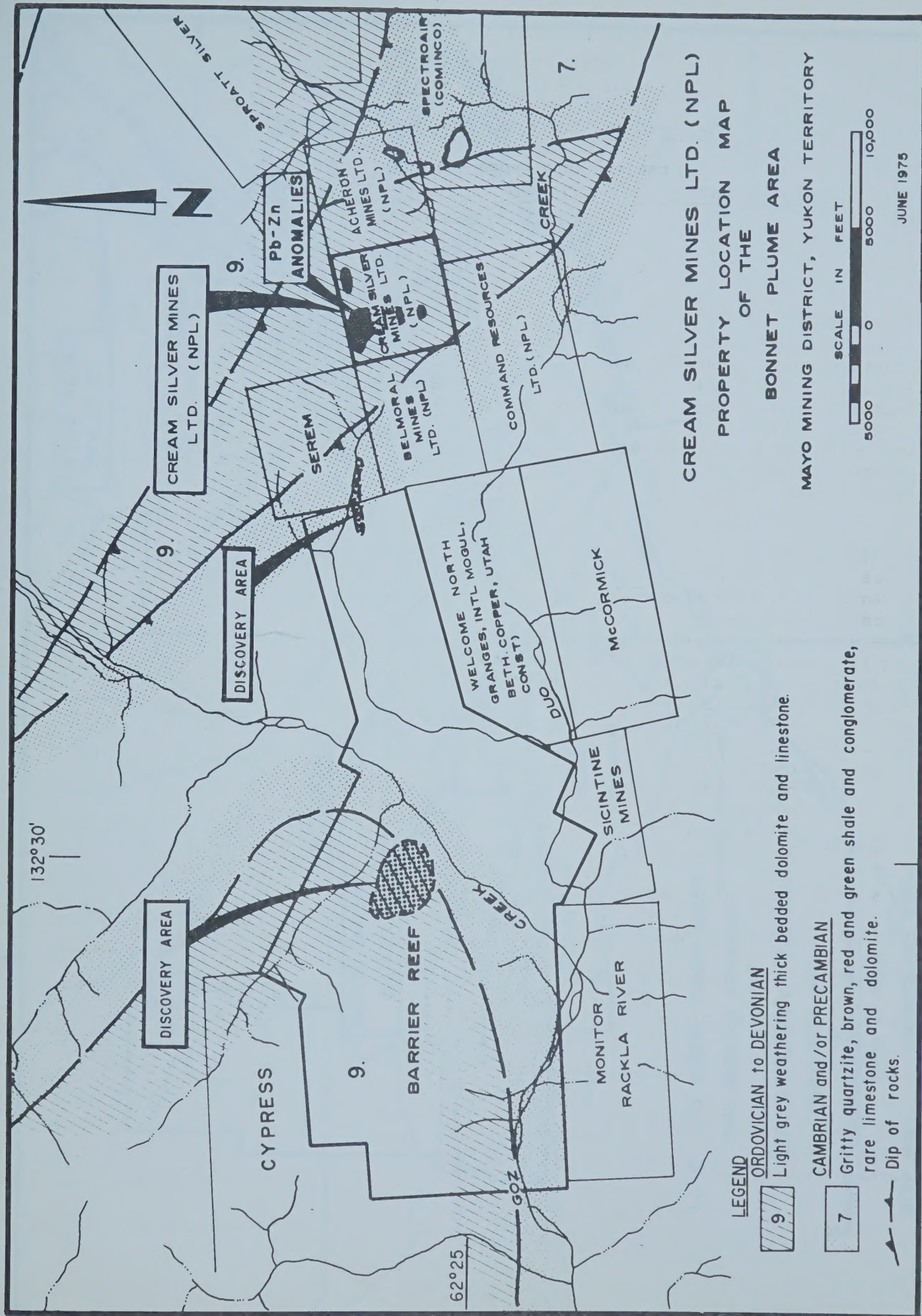
	<u>Balances at</u> <u>March 31, 1974</u>	<u>Expenditures</u> <u>during the</u> <u>year</u>	<u>Charged to</u> <u>deficit during</u> <u>the year</u>	<u>Balances at</u> <u>March 31, 1975</u>
Vancouver Island, Alberni Mining Division, Province of B.C.	\$ <u>86,424.09</u>	\$	\$	\$ <u>86,424.09</u>
Hart River area, Mayo Mining District, Yukon Territory	<u>55,576.49</u>			<u>55,576.49</u>
Pelly and Nahanni Rivers area, Watson Lake Mining District, Yukon Territory	8,863.97			8,863.97
Less recovered	<u>(8,225.00)</u>			<u>(8,225.00)</u>
	<u>638.97</u>			<u>638.97</u>
Pelly and Nahanni River area, Nahanni Mining District, Northwest Territories	13,136.93	81.64		13,218.57
Less recovered	<u>13,136.93</u>			<u>(13,136.93)</u>
	<u>0</u>	<u>81.64</u>		<u>81.64</u>
Ross River area, Watson Lake Mining District, Yukon Territory	<u>24,764.44</u>	<u>19,154.88</u>		<u>43,919.32</u>
Tranquille area, Kamloops Mining Division, Province of B.C.	<u>2,944.98</u>			<u>2,944.98</u>
Quesnel and Maeford Lake area, Cariboo Mining Division, Province of B.C.	<u>3,528.11</u>			<u>3,528.11</u>
Robb Lake area, Liard Mining Division, Province of B.C.				
TRIM claims	2,207.86		2,207.86	
INBE claims	<u>4,375.60</u>			<u>4,375.60</u>
	<u>6,583.46</u>		<u>2,207.86</u>	<u>4,375.60</u>
Faro area, Whitehorse Mining District, Yukon Territory	<u>3,527.38</u>	<u>2,500.58</u>		<u>6,027.96</u>
Bonnet Plume River area, Mayo Mining District, Yukon Territory	<u>314.55</u>	<u>7,395.05</u>		<u>7,709.60</u>
Mt. Freegold area, Whitehorse Mining District, Yukon Territory		<u>8,277.35</u>		<u>8,277.35</u>
Mt. Mye area, Whitehorse Mining District, Yukon Territory		<u>9,465.15</u>		<u>9,465.15</u>
San Pedro Analco Region, Jalisco, Mexico		<u>5,404.90</u>		<u>5,404.90</u>
Sundry areas		<u>3,607.70</u>	3,607.70	
	\$ <u>184,302.47</u>	\$ <u>55,887.25</u>	\$ <u>5,815.56</u>	\$ <u>234,374.16</u>

CREAM SILVER MINES LTD.
(NON-PERSONAL LIABILITY)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED MARCH 31, 1975
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED MARCH 31, 1974)
(prepared without audit)

	<u>1975</u>	<u>1974</u>
SOURCE OF FUNDS		
Refund of deposit on application for Northwest Territories prospecting permit		\$ 18,000.00
Proceeds from the sale of shares from the treasury		80,000.00
Payments received under agreements for optioning or vending interests in mineral properties	\$ 1,625.00	38,750.00
Gain on disposal of investments	89,312.53	
Interest income	2,207.82	2,121.91
Other income	2,012.90	
	<u>95,158.25</u>	<u>138,871.91</u>
APPLICATION OF FUNDS		
Investment in shares of Trident Resources Inc.		8,380.00
Advances to Trident Resources Inc.	5,000.00	
Purchase of equipment		839.09
Acquisition of interest in library of mining books		1,000.00
Acquisition of interest in mineral properties, net	25,263.68	59,750.00
Advances to and acquisition of shares in Abadon Holding N.L.	15,000.00	
Advances for exploration	12,658.65	
Exploration and administrative expenditures, per attached statement	73,218.06	62,605.39
Add: Charges to deficit	8,615.56	
Interest and other income included as source above	4,220.72	2,121.91
Payment and property agreements included as source above		31,400.00
Deduct: Non-cash expenditures - depreciation	(1,993.68)	(1,993.68)
	<u>84,060.66</u>	<u>94,133.62</u>
Loss on disposal of investments	141,982.99	164,121.71
	<u>(46,824.74)</u>	<u>(25,249.80)</u>
DECREASE IN WORKING CAPITAL		
WORKING CAPITAL AT BEGINNING OF YEAR	96,120.99	121,370.79
WORKING CAPITAL AT END OF THE YEAR	\$ <u>49,296.25</u>	\$ <u>96,120.99</u>
REPRESENTED BY		
Current assets	\$ 53,912.84	\$ 118,229.39
Current liabilities	4,616.59	22,108.40
	<u>\$ 49,296.25</u>	<u>\$ 96,120.99</u>



CREAM SILVER MINES LTD. (NPL)
PROPERTY LOCATION MAP
OF THE
BONNET PLUME AREA

MAYO MINING DISTRICT, YUKON TERRITORY



JUNE 1975

LEGEND

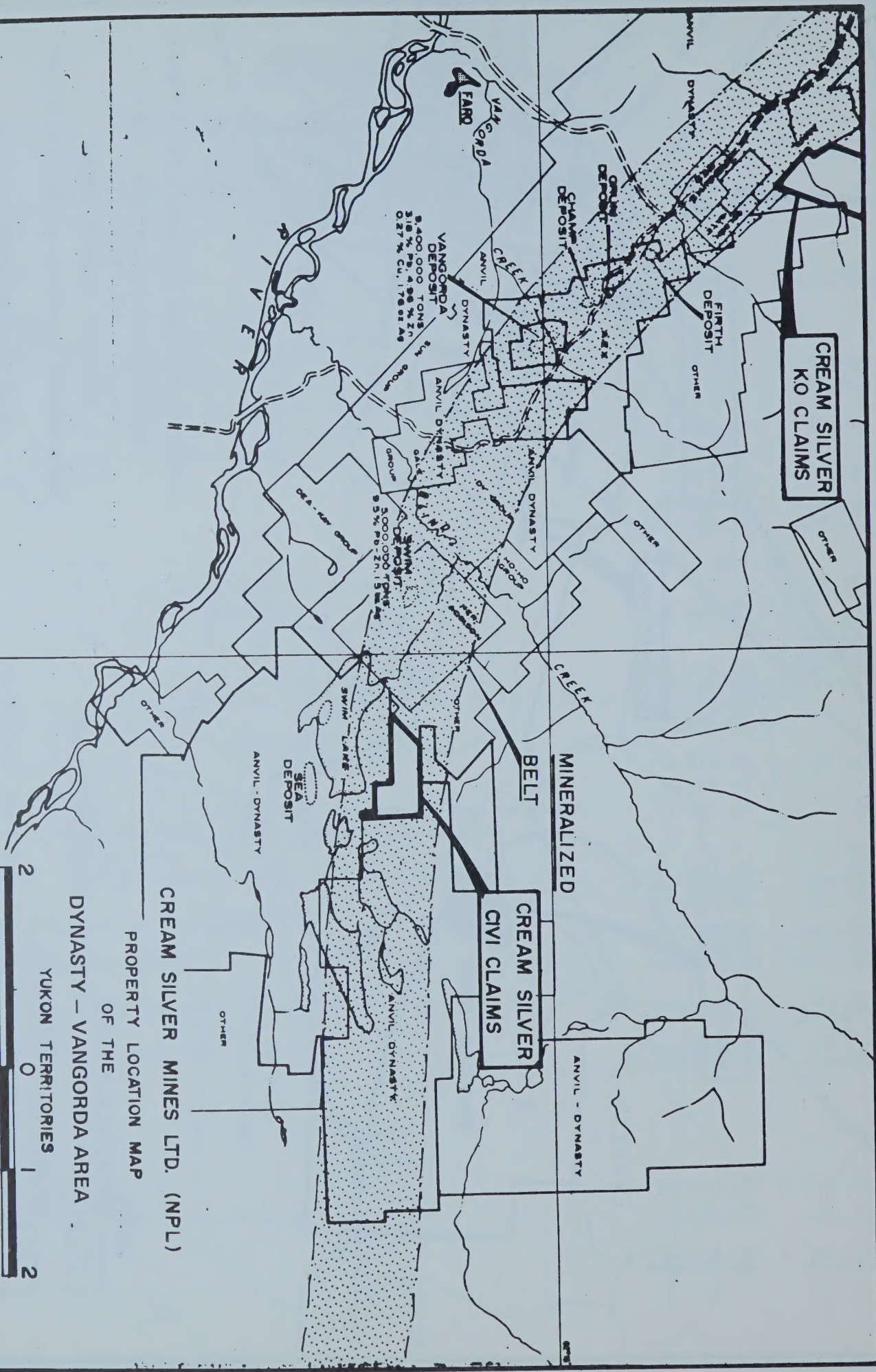
ORDOVICIAN to DEVONIAN

9 Light grey weathering thick bedded dolomite and limestone.

CAMBRIAN and/or PRECAMBRIAN

7 Gritty quartzite, brown, red and green shale and conglomerate, rare limestone and dolomite.

— Dip of rocks.



CREAM SILVER
KO CLAIMS

CREAM SILVER
CIVI CLAIMS

CREAM SILVER MINES LTD. (NPL)

PROPERTY LOCATION MAP

OF THE

DYNASTY - VANGORDA AREA

YUKON TERRITORIES

scale of miles

AGILIS ENGINEERING

JUNE 1975

